

# ADVISORY ACTIONS

ISSUE NO. 01

For SAB meeting held on  
January 24, 2007

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## opsc reminders

### State Allocation Board Meetings\*

- » February 28, 2007
- » March 28, 2007
- » April 25, 2007

### Implementation Committee Meetings\*

- » March 2, 2007
- » April 5, 2007

### Interest Earned Report (Form SAB 180)

- » Due quarterly (March 31, June 30, September 30 and December 31) from each county for all districts that earned interest from the Leroy F. Greene Lease-Purchase Program.

### Charter School Facilities

- » Application submittal deadline: June 5, 2007

### Deferred Maintenance Program (DMP)

- » Five Year Plan (Form SAB 40-20) due June 30, 2007
- » Extreme Hardship Funding Application (Form SAB 40-22) due June 30, 2007
- » Targeted SAB date: December 2007
- » Fund Release Authorization (Form SAB 40-23) due December 6, 2007
- » Expenditure Report (Form SAB 40-24) due within two years from the date any funds were released

### SFP Joint-Use Program

- » Application submittal deadline: May 31, 2007
- » Targeted SAB date: July 25, 2007

### Annual Unused Sites Reporting

- » Certification of Unused Sites (Form SAB 423) due June 30, 2007
- » Modification of Unused Site Status (Form SAB 424) for each site with a modification due June 30, 2007

### Anticipated Filing/Funding Dates

- » High Performance Schools: April 2007†
- » Career Technical Education: April 2007†

### Reports Due On September 1, 2007

- » Community School Facilities Report (Form SAB 406C)
- » Expelled Pupils Facilities Report (Form SAB 406E)

\* For the latest meeting dates, times and locations, check the OPSC Web site.

† Assumes the adoption of the regulations by OAL in March 2007.



from the desk of Luisa Park, Executive Officer

Many new School Facility Program (SFP) funding opportunities have been enacted this past year. These changes allow for the addition of targeted special programs that will keep California's schools to remain on the cutting edge. These changes will also provide California's students with improved quality in school facilities and "greener" schools. I am pleased with the progressive measures that California is taking to forge ahead with increased grant incentives to promote "green" schools that are embodied in the High Performance Schools Program (HPSP). HPSP encourages districts to incorporate and utilize energy saving building components, recycled materials and other innovative green alternatives within their construction projects. This is a great way for us to work together in facing and meeting society's growing energy concerns and in safeguarding our environment. In addition, monies will soon be infused into our comprehensive high schools to re-integrate Career Technical Education into mainstream education, thereby providing other career options to students.

More significant news is the additional funds that will be garnered by districts due to the grant increases stipulated in Proposition 1D. Those grant increases were applied retroactively to all qualifying project applications apportioned after July 2006. The qualifying projects were presented at the January 2007 State Allocation Board meeting to increase prior apportionments. The State Allocation Board also approved a 6.62 percent increase, on top of the prior grant increase, to the base grant representing the change in the construction cost index over the last year. If you would like to see the new grant amounts, please visit the OPSC Web site.

Lastly, I would like to express how much I have enjoyed working with each and every one of you and am proud of the accomplishments we have achieved together in providing school facilities for our children. After a 30 year tenure with the State of California, I have chosen to resign as Executive Officer of the Office of Public School Construction and the State Allocation Board effective January 30th. Ms. Lori Morgan, who has served as the State Allocation Board and OPSC's Deputy Executive Officer over the last year and a half and a 22-year OPSC veteran, has been appointed Acting Executive Officer. Best wishes to everyone for continued success in providing our children with state-of-the-art school facilities.

Happy New Year.

# Interim Housing Calculation

By Jason Hernandez, Audit Supervisor

The Office of Public School Construction (OPSC) would like to offer guidance on the interim housing deduction from funds otherwise available for financial hardship projects. Part of the OPSC’s financial hardship review includes two items: (1) Verifying that a district meets the criteria to qualify for financial hardship assistance; and (2) a review that determines if there are any funds a district has available to contribute towards their School Facility Program (SFP) project(s).

From the funds that would otherwise be deemed available as a matching contribution, the district may retain a portion of those funds to provide interim housing for the currently unhoused pupils of the district. The maximum interim housing deduction (during a reporting period) is calculated using the district’s current enrollment figures reported on Form SAB 50-01 and the number of available classrooms listed on Form SAB 50-02. Refer to chart below.

For every grade level, multiply the current classroom inventory (per Form SAB 50-02) by the classroom loading standard to obtain the current capacity. If additional classroom capacity results from 100 percent completed projects, it will also be accounted for in the current classroom inventory. Next, subtract the current capacity less the current enrollment (per Form SAB 50-01). This will calculate the current unhoused pupils. Divide the current unhoused pupils by the State classroom loading standard to yield the number of classrooms for the calculation. Utilize standard rounding, as appropriate, which will result in the total eligible classrooms for each grade level. In the example shown below, this resulted in a total of two classrooms. For every State classroom needed, the district may retain up to a maximum amount of \$26,926 per classroom. In addition, up to \$26,926 will be provided for toilet units for every eight interim classrooms that are needed. The example resulted in a maximum calculation of \$53,852.

It is important to keep in mind that this calculation is only to determine the maximum deduction allowed during a reporting period. However, the district must substantiate the actual interim housing expenses that it will expect to incur during that year and have funds available in the capital projects fund equal to or greater than the amount required. If the funds are not needed for interim housing purposes, then the monies will be applied as contribution to the district’s financial hardship project(s). If the actual interim housing related expenses at the end of the year are greater or less than the estimated amount, then the allowance can be adjusted up or down at a later date but not to exceed the maximum calculated interim housing amount.

Previous interim housing expenses are subject to audit to ensure that the retained capital outlay funds were spent on actual interim housing related expenditures. If the audit determines that any retained funds were not spent on eligible interim housing expenditures and/or related expenses, then an adjustment to a current or future financial hardship project apportionment will be necessary. Eligible interim housing expenses include the following:

- » Multi-year lease payments for eligible portables and relocatable classrooms.
- » Costs related to setting up an interim classroom at a school site.
- » Moving expenses to relocate an interim classroom from site to site, etc.

Districts are encouraged to contact a member of the OPSC Financial Hardship team with any specific questions regarding the interim housing calculation.

GRADE LEVEL	CURRENT ENROLLMENT PER SAB 50-01	100 PERCENT COMPLETED PROJECT PER SAB 50-06	CURRENT CLASSROOM INVENTORY PER SAB 50-02	STATE CLASSROOM LOADING STANDARD	CURRENT CAPACITY (SAB 50-02 TIMES LOADING STANDARD)	CURRENT UNHOUSED PUPILS (CURRENT ENROLLMENT MINUS CURRENT CAPACITY)	NUMBER OF CLASSROOMS	ELIGIBLE NUMBER OF CLASSROOMS FOR INTERIM HOUSING
K-6	100	0	3	25	75	25	1	1
7-8	50	0	1	27	27	23	0.85	1
9-12	0	0	0	27	0	0	0	0
SDC – Non-Severe	0	0	0	13	0	0	0	0
SDC – Severe	0	0	0	9	0	0	0	0
<b>TOTAL</b>								<b>2</b>

**Classroom Calculation:** 2 × \$26,926 = \$53,852

**Maximum Calculation:** \$53,852

## New Joint-Use Program Funding Cycle Underway!

By Brian LaPask, OPSC Project Management Supervisor

The passage of Proposition 1D in November provides \$29 million in new bond funds for School Facility Program (SFP) joint-use projects and provided for the transfer of additional funding from prior bonds up to a total of \$50 million.

Don't miss out on this additional funding opportunity for your qualified joint-use project. The OPSC is currently accepting applications, but the May 31, 2007 filing timeline is approaching. Projects received by the filing timeline will be presented to the State Allocation Board for funding consideration during the July 2007 meeting.

Don't delay... apply today. As a quick reminder, here are the documents necessary for a complete submittal:

- » Completed Application for Joint-Use Funding (Form SAB 50-07).
- » Final Division of State Architect (DSA) approved plans and specifications or preliminary plans if the joint-use project is a Type II and will not be part of a qualifying SFP project.
- » California Department of Education (CDE) Plan Approval letter.
- » Cost Estimate of proposed site development, if requesting site development funding.

- » Cost Estimate to construct the joint-use project, if the district is requesting Extra Cost funding pursuant to Section 1859.125.1.
- » Joint-Use Agreement, that complies with the requirements of Education Code Section 17077.42.

In addition, for projects that seek to utilize local bond funds toward the joint-use partner's 25 percent matching share requirement, the application package must contain a copy of the voter approved bond language and verification that the bond was passed. To take advantage of this provision, the statutory language presented to the voters must include the following:

- » The type of joint-use facility being constructed (Gymnasium, Multipurpose Room, Library, etc.)
- » The site where the joint-use facility will be constructed.
- » An acknowledgement that the facility will be used for community and/or joint-use purposes in addition to normal school usage.

For more information regarding the SFP Joint-Use Program, please visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) or contact your OPSC project manager.

## Grant Increase and Requirement for Supplemental Fund Release

By Karen Sims, OPSC Project Manager

Assembly Bill 127, Chapter 35, Statutes of 2006 (Nunez and Perata) (AB 127) provided for an increase to the new construction base per pupil grant, as of July 1, 2006, of seven percent for elementary and middle school pupils and four percent for high school pupils. With the passage of Proposition 1D by the voters at the November 2006 General Election, the State Allocation Board (SAB) was able to apportion approximately \$33 million for these grant increases at its January 2007 meeting for projects previously apportioned by the SAB after July 1, 2006.

Districts that received an increase to their project's Adjusted Grant apportionment (apportionment of projects that are construction ready) and had already requested a fund release, will be required to submit an additional Fund Release Authorization (Form SAB 50-05) to certify that the district has, or will have, their required match for the increase to their apportionment. Districts that received an increase to a project's design only or de-

sign and site apportionment will not be required to submit an additional Form SAB 50-05 as the additional design funds provided will be released automatically by the Office of Public School Construction.

Starting on January 1, 2008, AB 127 allows the SAB to annually provide an increase (of up to six percent) or a decrease of the new construction base grant based on the current costs to build schools. The instrument to collect the data to do this analysis is still being developed and will be presented to the SAB at a future meeting. Proposed regulations clarifying the SAB's authority regarding the annual grant increase/decrease were approved by the SAB at its September meeting and were submitted to the Office of Administrative Law for approval on a non-emergency basis.

## Emergency Regulations and You

By Lisa Jones, Supervisor, Regulations Team

Assembly Bill (AB) 1302, Chapter 713, Statutes of 2006 amends the Administrative Procedure Act and implements comprehensive changes in the adoption of emergency regulations. The changes will affect only emergency regulations filed with the Office of Administrative Law (OAL) on or after January 1, 2007, and they include the three categories: 1) changes in time limits, 2) changes in notice requirements, and 3) changes that justify the need for emergency regulations.

### Timing Changes

- » The initial effective period of an emergency regulation increased from 120 to 180 days. Increasing the initial effective period will facilitate State agencies to make the emergency regulations permanent without requesting a re-adoption of emergency regulations.
- » No more than two re-adoptions of emergency regulations for a period of 90 days will be allowed. Re-adoption will only be permitted if State agencies have made substantial progress and proceed with diligence in adopting the emergency regulations and permanent regulations.

These two changes restrict the number of days to 360 days that emergency regulations can be in effect.

### Notice Changes

- » State agencies adopting emergency regulations are required to notify the public five working days prior to submitting the emergency regulations to the OAL. Notice will be provided by mailing the Finding of Emergency and the proposed regulatory text to all persons who have requested a notice of rulemaking.
- » The advance notice requirement does not apply to emergency regulations filed by the Department of Corrections and Rehabilitation, nor does it apply "if the emergency situation clearly poses such an immediate, serious harm that delaying action to allow public comment would be inconsistent with the public interest." Decisions on permitting an exemption from the advance notice requirement will be made by the OAL on a case-by-case basis.

### Justification of Emergency Regulations

- » AB 1302 clarifies that a Finding of Emergency must demonstrate, by substantial evidence, that the emergency regulation is needed. It also requires that State agencies must identify technical studies relied upon in drafting the regulation.
- » Inadequate justification is defined as for the convenience, general public need, or expediency, etc. The detailed justifications by themselves will not demonstrate the need for emergency regulations.

The changes signify that emergency regulations are to be reserved for cases in which serious avoidable harm will certainly occur unless the regulation is adopted immediately.

If you have any questions regarding the emergency regulation changes and its process, please contact Lisa Jones or Robert Young.

### PROPOSITION 1D FUNDING

## Impact to Labor Compliance Program Additional Grant

By Darlene Ramos, Auditor

Pursuant to the California Labor Code, any project that receives new construction funding at present or has previously received funding from either Proposition 47 (November 2002 Bonds) or Proposition 55 (March 2004 Bonds), will be subject to the Labor Compliance Program (LCP) provisions. In the interim, all new construction funded projects will be subject to LCP requirements until the Proposition 55 new construction funding is exhausted. In the future, OPSC will notify school districts when Proposition 55 funding is exhausted and whether a project has funding that subjects it to the LCP requirements.

The Labor Code *does not require* projects apportioned from Proposition 1D to implement a LCP. Therefore, a school district project receiving funding from Proposition 1D does not qualify for an additional LCP grant. At this point, all modernization projects will be funded out of Proposition 1D since the prior bond (Proposition 47 or 55) modernization funding is essentially exhausted.

Please note that even though an additional LCP grant cannot be provided, a school district can, if it chooses, continue with its LCP. The expenditures related to a LCP are considered eligible project costs. If other options to fund these LCP costs become available, the school district will be notified.

## Annual Adjustment to the SFP Grants

By Engel Navea, Plan Verification Team Supervisor

At the January 24, 2007 State Allocation Board (Board) meeting, the Board approved an adjustment to the School Facility Program (SFP) grants as provided by law based on the Class B Construction Cost index. The grant adjustment represents an increase of 6.62 percent in the construction cost index (using Marshall & Swift Eight California Cities index) from January 2006 to January 2007. This is an increase over last year's construction index adjustment to the SFP grants of 4.62 percent and mid-year grant adjustments of seven percent for elementary and middle school projects and four percent for high school projects. All new construction and modernization applications presented for funding approval at the January Board meeting included this index adjustment.

For a complete listing of the annual grant adjustments, please refer to the Office of Public School Construction (OPSC) Web site at [www.opsc.ca.gov](http://www.opsc.ca.gov). Please feel free to give your OPSC Project Manager a call if you have any questions regarding the annual adjustments and your SFP Projects.

AS OF JANUARY 24, 2007

## Proposition Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
<b>PROPOSITION 55</b>			
New Construction	\$ 4,960,000,000	\$ 3,035,011,639	\$ 2,480,691,764
Modernization	2,250,000,000	2,220,675,048	1,979,909,840
Charter School	300,000,000	262,786,721	20,767,741
Critically Overcrowded Schools	2,440,000,000	1,882,581,650	0
Joint Use	50,000,000	50,000,000	20,201,541
<b>Total Proposition 55</b>	<b>\$ 10,000,000,000</b>	<b>\$ 7,451,055,058</b>	<b>\$ 4,501,570,886</b>
<b>PROPOSITION 47</b>			
New Construction	\$ 6,250,000,000	\$ 6,151,797,523	\$ 6,116,616,105
Modernization	3,300,000,000	3,287,390,675	3,284,675,002
Charter School	100,000,000	68,399,792	0
Critically Overcrowded Schools	1,700,000,000	1,629,584,423	60,088,549
Joint Use	50,000,000	49,869,397	43,162,267
<b>Total Proposition 47</b>	<b>\$ 11,400,000,000</b>	<b>\$ 11,187,041,810</b>	<b>\$ 9,504,541,923</b>
<b>Grand Total – Propositions 55 &amp; 47</b>	<b>\$ 21,400,000,000</b>	<b>\$ 18,638,096,868</b>	<b>\$ 14,006,112,809</b>

AS OF JANUARY 24, 2007

## Status of Funds

PROGRAM	BALANCE AVAILABLE
<b>PROPOSITION 1D</b>	
New Construction	\$ 1,900.0
Modernization	2,967.9
Career Technical Education	500.0
High Performance Schools	100.0
Overcrowding Relief	1,000.0
Charter School	500.0
Joint Use	29.0
<b>Total Proposition 1D</b>	<b>\$ 6,996.9</b>
<b>PROPOSITION 55</b>	
New Construction	\$ 2,136.4
Energy	0.0
Small High School	20.0
Modernization	21.8
Energy	0.0
Small High School	5.0
Critically Overcrowded Schools	
15% COS Unrestricted Fund	288.4
Charter School	14.1
DTSC/Relocation	13.1
Hazardous Material	2.6
Joint Use	0.0
<b>Total Proposition 55</b>	<b>\$ 2,501.4</b>
<b>PROPOSITION 47</b>	
New Construction	\$ 8.8
Charter School	29.1
Energy	0.0
Modernization	12.5
Energy	0.0
Critically Overcrowded Schools	
Reserved	70.4
Joint Use	0.1
<b>Total Proposition 47</b>	<b>\$ 120.9</b>
<b>Grand Total – Propositions 1D, 55 and 47</b>	<b>\$ 9,619.2</b>

## Groundbreakings and School Dedications

By Darlene J. Newman, OPSC Project Manager

The Office of Public School Construction would like to congratulate the Los Angeles Unified School District on the following schools' dedication ceremonies:

PROJECT	DEDICATION
East Valley High	February 2007
Magnolia Elementary Addition	February 2007

Did you know that you can highlight your district's new school dedications and groundbreaking ceremonies in the *Advisory Actions* newsletter? To have your event highlighted, please notify the Office of Public School Construction. Include the School Facility Program application number and dedication date. Mail this information to:

Office of Public School Construction  
 Attn: New School Dedications and Groundbreakings  
 1130 K Street, Suite 400  
 Sacramento, CA 95814

Note: Amount shown above are in millions of dollars.



The following regulation amendments were approved at the January 24, 2007 State Allocation Board meeting.

## ASSEMBLY BILL 607:

# Changes to the Emergency Repair Program and the Interim Evaluation Instrument

By Masha Lutsuk, OPSC Supervisor and Dawn Barnhisel, OPSC Project Manager

At the January 24, 2007 meeting, the State Allocation Board (SAB) approved changes to the Emergency Repair Program (ERP) regulations and forms and adopted a revised Interim Evaluation Instrument (IEI). These changes were required by the passage of Assembly Bill (AB) 607 (Chapter 704, Statutes of 2006 – Goldberg). As a continuation of the provisions of the settlement in the case of *Williams v. California*, AB 607 updates the list of eligible schools for various provisions of the settlement legislation, provides a grant funding option for the ERP, and includes a statutory definition of good repair for school facilities.

## Changes to the ERP...

AB 607 allows Local Educational Agencies (LEAs) to file applications for grant funding in addition to reimbursement to cover the costs of emergency repairs. This change should provide more flexibility and encourage greater participation in the ERP. To accommodate the grant funding provision, the following changes were made to the ERP application process:

- » The Application for Reimbursement and Expenditure Report (Form SAB 61-03) has been renamed to Grant Request.
- » The revised grant application can include a request for repair or replacement of various components on the same school site. As such, the format will provide for grant request funding for replacement of portable classrooms, when the repair cost for all the components exceeds 75 percent of the replacement cost. These types of projects will be considered on case-by-case basis, dependent upon several factors, including consideration for other funding methods available to the SAB.
- » An additional Expenditure Report (Form SAB 61-04) has been developed to provide a mechanism for LEAs to report final expenditures on the project and certify to the project's completion. Upon submittal of the Form SAB 61-04, the district may be eligible for a grant increase to cover additional costs of the project. The regulations propose a one-time grant increase for all projects in order to provide for a more streamlined and expeditious funding mechanism. For projects that face unforeseen cost increases prior to being able to submit an application for a Grant Adjustment, the LEA would be able to submit another funding request for the additional work, or could ask that the project be rescinded and resubmit the project in its entirety with a higher grant request.
- » While the grant funding option will become available, LEAs may submit an application for funding for work that is partially or entirely complete. The new Grant Request form allows an LEA to indicate actual costs as well as estimated expenditures and can accommodate a variety of project scenarios.

In addition to changes required by the passage of AB 607, the proposed regulation amendments contain a few changes aimed at streamlining the project approval and clarifying the types of eligible projects and costs. These changes are as follows:

- » Both of the new forms are revised to allow LEAs to provide limited supporting documentation to the OPSC by certifying that they will have the documents (such as contracts and invoices) on file at the LEAs office.
- » In addition to combining various types of projects on the same school site, LEAs will now be encouraged to meet the minimum threshold for funding requests of \$5,000. If an LEA needs to file a grant request for a project of a lesser amount, the LEA will need to provide a justification for its request.
- » Districts with projects where the cost to repair is less than 75 percent of the current replacement cost but decide to accept a grant equal to the estimated cost of repair are not eligible for a grant increase.
- » Regulations allow for the replacement with an alternate building system or material. If a like-kind material/system is available, funding will be calculated based on an estimated cost of the like-kind material/system. In other words, replacement with a more costly alternate material/system is allowed on a prorated basis.
- » The proposed draft regulations presented to the Board included a provision that application-related administrative and filing fees would be ineligible for funding as they do not represent emergency repair project costs. The SAB did not approve this particular provision in its proposed form but directed the OPSC to evaluate the issue further and provide a solution that would preclude State funding of excessive consulting fees while allowing school districts, especially the smaller ones, to seek consulting services to facilitate submittal of ERP applications.

Following are the answers to some of the frequently asked questions that have arisen during presentation of the proposed changes at the SAB Implementation Committee meetings.

## **My school's Academic Performance Index (API) ranking is improved, and it will no longer be on the list of eligible schools. Can I still apply for funding?**

As of July 1, 2007, the list of eligible schools will include schools ranked in deciles one to three, inclusive, on the 2006 API. Therefore, it is possible for an LEA to have a school with an eligible ERP project to drop off the list before the LEA is able to file an application for grant funding for this project. The grant application is not yet available for use by the LEAs as the proposed regulations and forms must be approved by the Office of Administrative Law. To assist LEAs with this potential conflict, the proposed regulatory amendments contain a provision that states that if the revised ERP regulations are not in effect by March 31, 2007, LEAs with schools no longer eligible as of July 1, 2007 may submit applications for 90 days following the approval of the regulations.

## **My school is falling off the list, but what if I do not complete my project before the application filing deadline?**

It is possible that LEAs may have school sites that will become ineligible for funding after June 30, 2007 but will not have completed their qualifying ERP projects. The new regulations allow these LEAs to file applications for grant funding for projects that have not commenced or are not completed. The applications must be submitted

before June 30, 2007, or before the expiration of the 90 day grandfathering period. The projects must be completed within 12 months of grant apportionment if Division of State Architect (DSA) approval is not required or within 18 months of apportionment if DSA approval must be obtained for the project.

**My school is being added to the list of eligible schools based on its 2006 API ranking. When can I submit an application?**

Since the law stipulates a specific fiscal year cycle for ERP funding, LEAs with schools coming onto the list based on the 2006 API can submit applications after the proposed regulation changes are effective and on or after July 1, 2007. Likewise, looking toward the future, LEAs with schools added to the list based on the 2009 API can submit an application as early as July 1, 2010.

**If I have completed a project, can I still submit a project for reimbursement?**

Until the new regulations are in effect, eligible LEAs may still submit reimbursement requests using the existing Form SAB 61-03. After the new regulations become effective, LEAs may still choose to submit applications for reimbursement for projects that have been completed if actual costs are known. In this case, the cost estimate submitted with the (revised) Form SAB 61-03 would be based on actual expenditures. As stated previously, the LEA might also choose to submit its Form SAB 61-04 at this time.

**What contracts for repair/replacement are eligible for funding under the ERP?**

The "project eligibility date" is the date on/after which a project can commence, and enter into contracts or expend funds. This date depends on when the school became eligible.

- » If your school is currently on the list: the project eligibility date is September 29, 2004. This is the date that the ERP was established.
- » If a school is being added to the 2007/08 list based on the 2006 API: the project eligibility date is July 1, 2005. This date was selected as it closely relates to schools eligibility based on academic performance testing; in other words, in order to be ranked a deciles one to three school on the 2006 base API, that school would have been tested in the 2005/2006 school year. [As such, schools coming on the list based on the 2009 API will have a project eligibility date of July 1, 2008.]

**What is the path a grant funding request would follow?**

1. LEA would submit the Grant Request (Form SAB 61-03) with the cost estimate and the appropriate health and safety documentation.
2. After OPSC review and SAB approval, the project receives an automatic fund release.
3. Within 12 months (or 18 for projects that require DSA approval), the LEA would submit the Expenditure Report of the project's actual costs.
4. OPSC would compare actual costs to the Grant amount, and the project could receive either a grant increase or a decrease.
5. As before, all projects will be subject to an audit of the LEA certifications and to ensure that the expenditures were made in accordance with the provisions of the Education Code and ERP regulations.

**Will the release of funds be delayed in any way due to the changes proposed?**

The revised process is aimed at providing funding for emergency projects as quickly as possible. Any eligible grant increases will be placed on the workload list and processed in the same manner as initial grant requests. In case there is insufficient funding in any given month to fund all grants and grant increases, the amended regulations would require the initial grants to be funded first. Providing a priority for funding to grant requests over grant increases, as the regulations propose, will achieve a greater distribution of funds and allow more projects to receive some funding to address emergency conditions at schools.

We hope this question and answer segment has been helpful. If you have additional questions, please contact your OPSC project manager.

**Revisions to the IEI...**

Senate Bill 550 (Chapter 900, Statutes of 2004 – Vasconcellos) defined "good repair" for public schools to mean: "the facility is maintained in a manner that assures that it is clean, safe, and functional as determined pursuant to an interim evaluation instrument developed by the OPSC". This law also required the Legislature to adopt a permanent standard of good repair by September 1, 2006, which was achieved by the passage of AB 607.

AB 607 adopted the existing IEI definitions in statute, expanded the good repair standards to include the overall cleanliness of school facilities, and required the OPSC to add a ranking and scoring system to evaluate the conditions of schools on or before July 1, 2007.

The revised IEI adopted by the SAB on January 24, 2007, includes the additional language required by AB 607 as well as wording changes to conform to the language of the law. This IEI will be temporary until the permanent instrument is developed. The OPSC will work with the county offices of education and other interested parties to develop the permanent instrument that will incorporate the rating system to evaluate each component and will provide for an overall summary of the conditions at each school. This instrument will serve as a uniform definition of good repair to be used by school officials, county offices of education, students, teachers and parents to aid in ensuring that all California school children have access to clean, safe and functional school facilities.



By Chris DeLong, OPSC Policy Manager

This is the fourth issue of the Office of Public School Construction's (OPSC) supplemental insert providing an update on the implementation of Assembly Bill (AB) 127 and Proposition 1D. As you are aware, the implementing regulations for the following programs or provisions were presented and approved by the State Allocation Board (SAB) at its September 2006 meeting:

- » High Performance Incentive Grants
- » Small High School Program
- » Charter School Facilities Program
- » New Construction Grant Increase

The regulations were submitted to the Office of Administrative Law (OAL) on an emergency basis. However, indications from the OAL signaled that the regulatory package would be rejected as an emergency need. Therefore, the OPSC withdrew the package in order to immediately resubmit it as a non-emergency. We will notify districts once these regulations have been approved by the OAL and are in effect.

The Career Technical Educational Facilities Program (CTEFP) discussions concluded at the January 5, 2007 Implementation Committee (Committee)

meeting. The regulations for CTEFP were presented and approved by the SAB at its January 2007 meeting. For detailed information on the CTEFP, please refer to the article that follows below. The CTEFP regulations will be submitted to the OAL on an emergency basis as the statute provides the authority to do so.

The following other Proposition 1D programs are in their final stages of discussion at the Committee:

- » Overcrowding Relief Grant
- » Seismic Mitigation

If you would like additional details regarding a particular provision/program, the issue papers developed by the OPSC for presentation to the Committee can be located on the OPSC's Web site: [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). Click on "State Allocation Board" on the lefthand navigational bar, then click on "Implementation Committee Agenda Item History" on the righthand navigational bar. We welcome any feedback or suggestions you might have. In addition, please refer to past editions of the *Advisory Actions*.

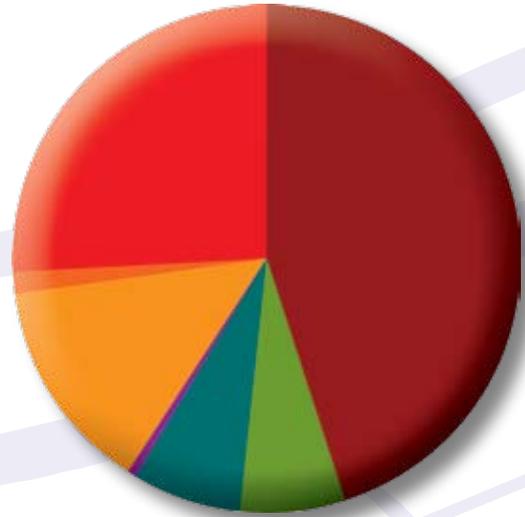
**The OPSC and California Department of Education (CDE) will be conducting workshops on the Career Technical Education Facilities Program and Overcrowding Relief Grant. The dates, locations, and times for the workshops are as follows:**

AREA	DATE	LOCATION	TIME
Sacramento Area	March 6, 2007	East End Complex Auditorium 1500 Capitol Avenue, Sacramento, CA 95814	8:30 a.m. to noon
Los Angeles Area	March 8, 2007	Los Angeles County Office of Education Board Room 9300 Imperial Highway, Downey, CA 90242	8:30 a.m. to noon
San Bernardino Area	March 22, 2007	San Bernardino County Office of Education West End Complex 8265 Aspen Avenue, Rancho Cucamonga, CA 91730	8:30 a.m. to noon
Bakersfield Area	March 26, 2007	Kern County Office of Education Room US2 2000 K Street, Bakersfield, CA 93301	9:30 a.m. to 1:00 p.m.
San Francisco Bay Area	April 4, 2007	Santa Clara County Office of Education Main Conference Room 1290 Ridder Park Drive, San Jose, CA 95131	8:30 a.m. to noon
San Diego Area	April 10, 2007	San Diego County Office of Education Joe Rindone Regional Technology Center 6401 Linda Vista Road, San Diego, CA 92111	8:30 a.m. to noon

## K–12 FUNDING PROVIDED BY PROPOSITION 1D

### 2006 Bond Proposal

LEGEND	PROGRAM	FUNDING PROPOSAL
	New Construction*	\$ 1,900,000,000 †
	Modernization*	3,300,000,000
	Charter Schools	500,000,000
	Career Technical Education	500,000,000
	Joint Use Projects	29,000,000
	Overcrowding Relief	1,000,000,000
	High Performance Schools	100,000,000
<b>TOTAL</b>		<b>\$ 7,329,000,000</b>



\*No more than \$200,000,000 of the sum of the appropriations for new construction and modernization shall be used to fund the smaller learning communities and small high schools.

† Up to 10.5 percent shall be available for purposes of seismic repair, reconstruction, or replacement, pursuant to Education Code Section 17075.10.



STATE ALLOCATION BOARD

## Implementation Committee

MAVONNE GARRITY, ASSISTANT EXECUTIVE OFFICER, STATE ALLOCATION BOARD

Following is a summary of the main issues that were discussed at the January 5, 2007 meeting of the Committee.

### OVERCROWDING RELIEF GRANT

By Tim Hegedus, OPSC Project Manager

The Overcrowding Relief Grant (ORG) provides \$1 billion to school districts to relieve overcrowding at eligible school sites by replacing portable classrooms with permanent classrooms at the overcrowded sites or other approved sites. Site acquisition will also be allowed under ORG to relieve overcrowding by constructing permanent classrooms at new school sites or additions to existing sites. New Construction SFP eligibility is not required to be eligible for the ORG. A school site is considered eligible for the ORG if the pupil population density at that particular site is equal to or greater than 175 percent of the recommended site density as determined by the California Department of Education (CDE) as of January 1, 2006, based on 2005/2006 CBEDS.

At the January 5, 2007 Committee meeting, OPSC staff presented updates to the proposed framework for implementing the ORG, including revised Application for Funding and Expenditure Report forms and revised application deadlines and funding cycles.

There was discussion at the meeting regarding classrooms provided and occupancy rules (as there was concern that a district's project could conceivably be occupied before it is funded due to the funding availability and application cycles). OPSC staff explained that a district's New Construction eligibility will not be adjusted for the new classrooms provided by a project as long as the application is submitted prior to occupancy, and the application will remain eligible for funding consideration. Audience members also inquired when it will be acceptable to sign construction contracts in order to be eligible for the ORG. The OPSC stated the issue would be researched.

Discussion also took place on the requirement that funds set aside by financial hardship districts for ORG projects be encumbered in order to not be considered available for other SFP projects. Concerns were raised that districts will not necessarily encumber the funds to design the project, acquire a site (possibly), and to construct the project, before a financial hardship review is conducted for a SFP project. The OPSC stated preliminarily that a budgeted reserve and or funded ORG is a reasonable approach in this instance, and agreed to take the issue under consideration.

in the development of the regulation language. Staff also explained that although there will be no separate design or site apportionments, if financial hardship districts acquire bridge financing on their own, debt services that do not exceed what is needed for the project (plus reasonable loan costs) will be eligible expenditures.

In addition, the CDE presented a revised Overcrowding Relief Grant Pupil Adjustment form. There was discussion on the form about the methods of adjusting the eligibility of a site by SFP projects that had been apportioned, and it was suggested that the audience have a chance to review the form further before it is presented to the SAB. Staff agreed to consider the matter.

Audience members and Committee members expressed interest in presenting regulations to the SAB as soon as possible.

**Status:** The OPSC will bring back the CDE Overcrowding Relief Grant Pupil Adjustment form and the OPSC Overcrowding Relief Grant Pupil Eligibility Determination (Form SAB 50-11) for discussion at the February 2, 2007 Committee meeting.

## CAREER TECHNICAL EDUCATION FACILITIES PROGRAM

By Kelly Long, OPSC Project Manager

The Career Technical Education Facilities Program (CTEFP) was established by Assembly Bill 127 and enacted by the Kindergarten-University Public Education Facilities Bond Act of 2006. The proposition provides \$500,000,000 for the purpose of constructing new facilities or reconfiguring existing facilities. This will enhance the educational opportunities for pupils in order to provide them with the skills and knowledge necessary for the high-demand technical careers of today and tomorrow.

The OPSC began presentations of the CTEFP at the August 18, 2006 Committee meeting and continued the discussion at subsequent meetings. The CDE was charged with developing grant application criteria and pupil outcome measures for the program and introduced the educational requirements for the program at the October Implementation Committee meeting. Additionally, several meetings with Career Technical Education (CTE) stakeholders were held outside the Committee in order to develop the standards for CTE plans. These stakeholder meetings resulted in the Application Guidelines, which were presented at the December Committee meeting. In January, the CDE unveiled the revised Application Scoring Guide that will steer the evaluation of CTEFP applications and the OPSC presented the proposed regulations for the CTEFP. The OPSC also introduced a new form, the Application for Career Technical Education Facilities Program (Form SAB 50-10).

At the January 5, 2006 meeting, the majority of the discussion focused on who may apply for the grant. Representatives from the Office of the Governor and the Office of the Speaker of the Assembly addressed the Committee regarding the intent of AB 127 and the CTEFP. Both agreed that the goal of the program is the construction or reconfiguration of CTE facilities on comprehensive high schools and the integration of CTE courses into the standard high school curriculum. Several attendees acknowledged that this is a positive approach. However, some members contend

that there are many variations of a high school, and the program needs flexibility to allow COEs to access CTEFP funds. Alternatively, it was suggested that a COE should be allowed to partner with or apply on behalf of a school district for funding.

The CDE presented the scoring matrix that will be used to evaluate the CTEFP applications. Much of the discussion focused on sequencing of classes and accountability. Some participants wanted these two sections to be required for every application; the absence of either would constitute an application flaw, disqualifying the applicant. The CDE agreed that without sequencing it would be very hard to consider the submission a valid plan, and that further consideration is needed.

Finally, the staff presentation included Assembly Bill 2419. AB 2419 requires that if a school district applies for Career Technical Education Program funding of any New Construction or Modernization project that they have a written confirmation from their Career Technical Education Advisory Committee as a condition of receiving funding. The written confirmation provides that the need for vocation and career technical facilities has been adequately met within the district. The Application for Funding (Form SAB 50-04) and the Fund Release Authorization (Form SAB 50-05) have been revised to incorporate this requirement.

The proposed SFP Regulations and the CDE applications for the CTEFP were presented to the SAB at the January 24, 2007 meeting. The regulations and CDE application provide that a COE may apply for CTEFP funds as long as the COE operates a high school that meets the definition of a comprehensive high school pursuant to the Education Codes 51224, 51225.3, and 51228. It also requires that the high school and corresponding CTE plan include sequencing of CTE courses. The regulations were approved by the SAB and they will be subsequently submitted to the OAL on an emergency basis. The regulations can be viewed on the OPSC Web site.

Several frequently asked questions about the CTEFP are addressed below:

### What is Career Technical Education?

CTE provides a program of study that involves a multiyear sequence of courses that integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary education and careers. The CDE currently recognizes 15 industry sectors; each sector contains several pathways.

### Who can apply?

A local educational agency may apply for CTEFP funding on a new construction or modernization project, if they operate a high school meeting the definition of a comprehensive high school pursuant to the Education Codes 51224, 51225.3, and 51228.

A joint powers authority (JPA) in existence as of May 20, 2006 may apply for CTEFP funding on a modernization project, providing the JPA is expressly for CTE and meets the other requirements identified in law. The JPA may include one or more local educational agencies.

### What if I don't have Modernization or New Construction eligibility?

No problem! An applicant is not required to demonstrate new construction or modernization eligibility to participate in the CTEFP.

### How much can I get?

The CTEFP grant for a New Construction project shall not exceed a State share of \$3 million per project. For a Modernization project, the CTEFP grant shall not exceed a State share of \$1.5 million per project. An applicant may have more than one project per school site.

### How much must I contribute?

CTEFP is a 50/50 program for New Construction and Modernization. A local contribution equal to the State contribution is required on any CTEFP project. This matching share may come from the applicant, applicant's partners, or other sources.

In the event local funds are not immediately available for the project, the applicant may apply for a loan from the State. Qualification to receive a loan will require a financial review of the applicant's available monetary contribution.

### My district has Financial Hardship status, does this mean we can't participate?

Financial Hardship status does not apply to CTEFP funding. The local contribution can not be waived. A Financial Hardship school district may request CTEFP funding, but the district or their partners will have to supply the CTEFP matching contribution, or the district may qualify for a State loan. Funds earmarked for CTEFP will not be considered as available for purposes of contributions applied to other Financial Hardship projects.

### How are the CTEFP grants determined?

The grants are determined by the actual construction costs or estimates. The applicant is required to identify the cost and square footage of the CTE facility being constructed, modernized, reconfigured or equipped.

### Can I buy equipment?

Yes. CTEFP funds may be used to purchase funds with an average useful life expectancy of at least ten years. It is possible that a CTEFP project may be composed entirely of equipment.

### How do I apply?

An applicant will first submit an application to the CDE detailing the applicant's CTE plan. Once the CTE plan has been reviewed and received a passing score by CDE, the applicant may submit an Application for Career Technical Education Facilities Program (Form SAB 50-10) to the OPSC. If the applicant has approval of the construction plans by CDE and DSA (if required), these may accompany the application. Otherwise, the applicant must submit the approvals within 12 months of apportionment.

### When should I apply?

For the first funding cycle, complete applications must be received at the OPSC by October 31, 2007. To allow adequate review time, the CTEFP application must be submitted to the CDE no later than August 3, 2007.

For the second funding cycle, complete applications must be received at the OPSC by April 30, 2008. The CTEFP application must be submitted to the CDE no later than February 1, 2008.

Future funding cycles may be added depending on the availability of CTEFP funds.

More detailed information will be provided at the OPSC and CDE workshops listed above.

## ASSEMBLY BILL 607

By Dawn Barnhisel, OPSC Project Manager

In addition to discussions on AB 127, the Committee continued the discussion on changes to the Emergency Repair Program (ERP) required by AB 607 (Chapter 704, Statutes of 2006 – Goldberg). The OPSC proposals, which were introduced and discussed at the November 30, 2006 meeting of the Committee, were finalized and incorporated into regulation amendments and presented at the January meeting. Following discussions at the Committee meeting, the changes were presented and adopted by the SAB on January 24, 2007. Please see the AB 607 article in the "Regulations Update" insert of this newsletter for a detailed description of the changes to the ERP and the Interim Evaluation Instrument required by AB 607.

## WATCH FOR...

The following topics will be discussed at a future Committee meeting:

Discussion on the implementing regulations for recently enacted legislation as follows:

- » AB 127 – Chapter 35, Statutes of 2006 (Nunez and Perata)  
*Discussion on the implementing regulations for Seismic Mitigation of school facilities.*
- » SB 1415 – Chapter 810, Statutes of 2006 (Scott)  
*Discussion on the use of proceeds from the sale of surplus property.*
- » AB 607 – Chapter 704, Statutes of 2006 (Goldberg)  
*Discussion on the development of a permanent standard for good repair.*

## THE NEXT MEETING...

The next Committee meeting is scheduled for Friday, March 2, 2007, from 9:30 a.m. to 3:30 p.m. at the Legislative Office Building, 1020 N Street, Room 100, in Sacramento.